

ANNUAL REPORT

THE COCA-COLA COMPANY AND ITS SUBSIDIARIES

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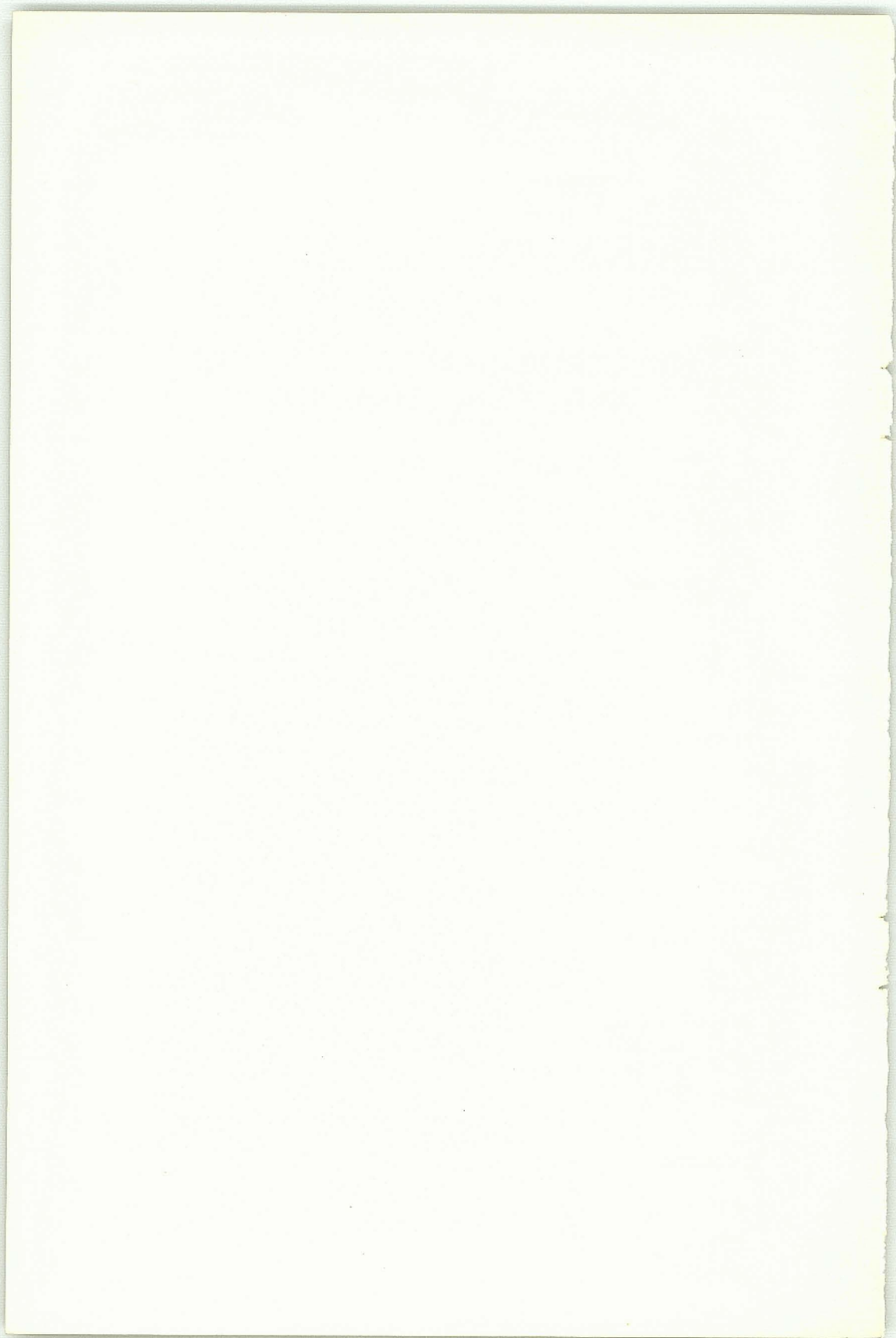
FOR THE YEAR
1947

The annual meeting of the stockholders will be held on Monday, May 3, 1948. A formal notice of this meeting, together with proxy and proxy statement, will be mailed to each common stockholder on or about April 8, 1948, at which time proxies will be solicited by the management.

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THE COCA-COLA COMPANY

WILMINGTON, DELAWARE

TO THE STOCKHOLDERS OF
THE COCA-COLA COMPANY

Submitted herewith are the consolidated balance sheet and statement of operations for 1947. Net earnings applicable to common stock, after taxes, Class "A" dividends, reserves and all charges, were \$31,221,945.

Increased sales overseas, and improved availability of Coca-Cola in the United States following termination of sugar rationing in midsummer, resulted in an increase in earnings in 1947 over prior years despite the sharply increased cost of doing business. At the same time, bottlers of Coca-Cola generally have been able to avoid any increase in the historic price to the consumer.

Earnings can be expected to continue at satisfactory levels in the face of rising costs and the resulting lowered margin of profit per unit only to the extent that the increase in sales volume is sufficient to offset the increases in costs. To secure a satisfactory increase in sales volume will require substantial investments in 1948 in additional production and marketing facilities. The desirability of these investments and of sustained and increased sales effort is clearly recognized by your Company and by bottlers of Coca-Cola throughout the world.

Respectfully submitted,

WILLIAM J. HOBBS,
President.

HARRISON JONES,
Chairman, Board of Directors.

CONSOLIDATED THE COCA-COLA COMPANY AND I

December

ASSETS

CURRENT:

Cash on deposit and on call	\$33,294,399.05	
Government securities—at cost:		
United States and Canadian—(mar-		
ket value \$21,358,059.56) . . .	21,319,988.66	
Accounts receivable—Trade—(less re-		
serve of \$46,833.06)	7,803,777.31	
Inventory—Merchandise, (priced at		
lower of cost or market)	<u>38,732,413.82</u>	\$101,150,578.84

INVESTMENTS IN AND ADVANCES TO

FOREIGN SUBSIDIARIES NOT

CONSOLIDATED—NET	1,845,042.57
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OTHER INVESTMENTS AND OTHER ASSETS:

Security investments—At cost (market		
value \$875,262.50)	\$ 487,008.52	
Other receivables and miscellaneous . .	<u>3,843,924.38</u>	4,330,932.90

PROPERTY, PLANT AND EQUIPMENT—At cost:

Land	\$ 3,370,159.90	
Buildings	20,524,965.45	
Machinery and equipment	27,615,160.81	
Containers	<u>12,957,966.79</u>	
	\$64,468,252.95	
Less reserve for depreciation	<u>20,048,958.46</u>	44,419,294.49

FORMULAE, TRADE-MARK AND GOODWILL—

At cost	37,238,263.20
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DEFERRED CHARGES	2,907,967.39
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\$191,892,079.39

NOTE A—Assets of subsidiaries and branches located in foreign countries consolidated in this balance sheet consist of net current \$9,511,976.77, property, plant and equipment at depreciated cost, \$7,385,127.07, and other assets \$1,814,827.73. Fixed assets are stated at rates of exchange prevailing at dates of acquisition, and net current and all other assets at rates of exchange prevailing at December 31, 1947. Earned surplus includes \$13,629,412.04 accumulated earnings of such subsidiaries and branches consolidated herein.

BALANCE SHEET

TS CONSOLIDATED SUBSIDIARIES

: 31, 1947

LIABILITIES

CURRENT:

Accounts payable and accrued accounts	\$ 20,625,642.33
Bank indebtedness—foreign subsidiaries	1,959,573.18
Accrued taxes—including taxes on income	\$ 23,066,859.56
Less U. S. Treasury tax notes	14,985,387.60
	<u>8,081,471.96</u>
	\$ 30,666,687.47

RESERVE:

For contingencies and miscellaneous operations	26,797,665.99
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MINORITY INTERESTS IN SUBSIDIARIES	2,189,793.05
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CAPITAL STOCK:

Class "A"—no par value:	
\$3.00 preference cumulative dividends, callable at \$52.50 per share, authorized 1,000,000 shares, outstanding 600,000 shares	\$ 3,000,000.00

Common—no par value:	
Authorized . . . 5,000,000 shares	
Issued and outstanding 4,113,665 shares	25,710,406.25
	<u>\$ 28,710,406.25</u>

CAPITAL SURPLUS—Note B	3,714,818.43
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EARNED SURPLUS	100,128,983.20
	<u>\$132,554,207.88</u>

Less 4,800 shares of common stock owned by Company—at cost	316,275.00	132,237,932.88
	<u> </u>	<u>\$191,892,079.39</u>

NOTE B—The item of Capital Surplus was decreased in the net amount of \$682.23 during the year as a result of transactions in the capital stock of subsidiaries.

CONSOLIDATED PROFIT AND LOSS STATEMENT
THE COCA-COLA COMPANY AND ITS CONSOLIDATED SUBSIDIARIES
Year Ended December 31, 1947

GROSS PROFIT		\$99,249,438.73
EXPENSES		
Selling, administrative and general	43,840,441.96	
OPERATING PROFIT	\$55,408,996.77	
Other deductions	\$ 3,131,513.19	
Less other income	1,767,201.35	1,364,311.84
PROFIT BEFORE TAXES ON INCOME	\$54,044,684.93	
Provision for taxes on income—estimated:		
Federal, state and foreign income taxes	\$21,278,400.00	
Less excess provision for prior years	531,400.00	20,747,000.00
		\$33,297,684.93
Less portion of subsidiary earnings applicable to minority interests		275,740.02
NET PROFIT		<u>\$33,021,944.91</u>

NOTE A—Provision for depreciation of \$2,994,955.52 was charged to manufacturing and other expenses. Other deductions include interest paid \$161,054.32 and \$1,250,000.00 for addition to the reserve for contingencies and miscellaneous operations.

NOTE B—Dividends received in United States funds during the year from subsidiaries located in foreign countries were \$219,092.90 in excess of the earnings of foreign subsidiaries and branches consolidated herein.

CONSOLIDATED EARNED SURPLUS ACCOUNT
THE COCA-COLA COMPANY AND ITS CONSOLIDATED SUBSIDIARIES
Year Ended December 31, 1947

Balance—December 31, 1946	\$ 89,451,363.29
Net profit for the year ended December 31, 1947	33,021,944.91
	<u>\$122,473,308.20</u>

DEDUCTIONS

Dividends paid in cash:

CLASS "A":

June 30, 1947—\$1.50 per share	\$ 900,000.00	
Dec. 13, 1947—\$1.50 per share	900,000.00	\$ 1,800,000.00

COMMON:

Mar. 31, 1947—\$.75 per share	\$ 3,085,248.75	
June 30, 1947—\$.75 per share	3,085,248.75	
Sept. 30, 1947—\$.75 per share	3,085,248.75	
Dec. 13, 1947—\$.75 per share		
plus \$2.00 per share extra . .	11,312,578.75	
	<u>\$20,568,325.00</u>	

Less dividends on 4,800 shares of
common stock owned by Company

during year	24,000.00	20,544,325.00
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TOTAL DIVIDENDS PAID 22,344,325.00

EARNED SURPLUS—DECEMBER 31, 1947 \$100,128,983.20

ERNST & ERNST

ACCOUNTANTS AND AUDITORS

SYSTEM SERVICE

TO THE BOARD OF DIRECTORS
THE COCA-COLA COMPANY
Wilmington, Delaware

We have examined the consolidated balance sheet of THE COCA-COLA COMPANY and its consolidated subsidiaries as of December 31, 1947, and the related consolidated statements of profit and loss and surplus for the year then ended, have reviewed the systems of internal control and the accounting procedures of the Company and its domestic subsidiaries and, without making a detailed audit of the transactions, have examined or tested accounting records of these companies and other supporting evidence by methods and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures which we considered necessary.

Statements of foreign subsidiaries consolidated herein were furnished us as certified by other independent auditors. Subsidiaries in foreign countries other than in the Western Hemisphere have been excluded from the consolidated financial statements and are stated in the balance sheet in the amount of the investments in and advances to such subsidiaries less net losses absorbed in prior years.

In our opinion, based upon our examination, and the statements of foreign subsidiaries consolidated, above referred to, the accompanying balance sheet and related statements of profit and loss and surplus present fairly the position of THE COCA-COLA COMPANY and its consolidated subsidiaries at December 31, 1947, and the consolidated results of their operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ERNST & ERNST

Certified Public Accountants

March 1, 1948

THE COCA-COLA COMPANY

BOARD OF DIRECTORS

HARRISON JONES, *Chairman*

A. A. ACKLIN	MRS. L. P. EVANS	WINSHIP NUNNALLY
W. C. BRADLEY (deceased)	BERNARD F. GIMBEL	E. W. STETSON
C. H. CANDLER	J. N. GODDARD	D. A. TURNER
W. C. D'ARCY	WILLIAM J. HOBBS	C. A. WICKERSHAM
R. R. DEUPREE	J. P. ILLGES	GEO. W. WOODRUFF
S. C. DOBBS		R. W. WOODRUFF

EXECUTIVE COMMITTEE

R. W. WOODRUFF, *Chairman*

C. H. CANDLER	J. N. GODDARD	C. A. WICKERSHAM
W. C. D'ARCY	E. W. STETSON	GEO. W. WOODRUFF
	D. A. TURNER	

A. A. ACKLIN, *Chairman, Advisory Committee*

OFFICERS

WILLIAM J. HOBBS	<i>President</i>
FELIX W. COSTE	<i>Vice-President</i>
EDGAR J. FORIO	<i>Vice-President</i>
R. C. FOWLER	<i>Vice-President</i>
B. NEAL HARRIS	<i>Vice-President</i>
W. P. HEATH	<i>Vice-President</i>
H. B. NICHOLSON	<i>Vice-President</i>
HAROLD S. SHARP	<i>Vice-President</i>
JOHN C. STATON	<i>Vice-President</i>
AL N. STEELE	<i>Vice-President</i>
T. CARL THOMPSON	<i>Vice-President</i>
E. LEE TALMAN	<i>Treasurer and Acting Secretary</i>

COUNSEL

POPE F. BROCK

TRANSFER AGENTS

WILMINGTON TRUST COMPANY
Wilmington, Delaware

GUARANTY TRUST COMPANY OF NEW YORK
New York, N. Y.

REGISTRARS

EQUITABLE TRUST COMPANY
Wilmington, Delaware

CHASE NATIONAL BANK
New York, N. Y.